



STATE OF CONNECTICUT  
TEACHERS' RETIREMENT BOARD  
21 GRAND STREET HARTFORD, CT 06106-1500  
Toll-Free 1-800-504-1102 ext. 8428 or 8436 (860) 241-8428 or 8436 Fax (860) 525-6018  
www.ct.gov/trb

**PRIOR CONNECTICUT TEACHING SERVICE  
BUY BACK REQUEST FORM**

(PLEASE PRINT OR TYPE)

Member Information:

Member Name \_\_\_\_\_  
Street Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Social Security # \_\_\_\_\_  
Current Employer \_\_\_\_\_

Prior Connecticut Teaching Service Withdrawn Information:

To the best of your knowledge, list the School District(s) where you previously taught, the dates of service and total amount of service credit withdrawn.

School District(s) \_\_\_\_\_  
Dates of Service \_\_\_\_\_  
Service Credit \_\_\_\_\_

Member Statement:

I am requesting an invoice for the re-purchase of my Prior Connecticut Teaching Service that I withdrew in the past. I understand that the purchase of this service is voluntary and that in approximately 4 months, I will receive written notification from CTRB advising me of the cost of this credit and payment options.

\_\_\_\_\_  
Signature Date

⇒ PLEASE MAIL THIS COMPLETED FORM DIRECTLY TO CTRB AT THE ADDRESS SHOWN ABOVE.



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## **PRIOR CONNECTICUT TEACHING SERVICE BULLETIN**

### **WHAT IS PRIOR CONNECTICUT TEACHING SERVICE?**

Prior Connecticut teaching service is service which was previously credited to your account but was cancelled as a result of the termination of service and a refund of the account balances.

### **CAN I BUY BACK MY PRIOR CONNECTICUT TEACHING SERVICE NOW & RECEIVE CREDIT?**

Yes. Prior Connecticut teaching service may be purchased at any time if you are an active or inactive member of the Connecticut Teachers' Retirement Board.

### **HOW DO I APPLY FOR THIS SERVICE?**

Contact this office in writing for an invoice for your Prior Connecticut Service. Be sure to include your name, social security number, membership number, current employer, mailing address and the town(s) where you previously taught with the dates of service.

### **HOW IS THE COST OF PURCHASING THIS SERVICE DETERMINED?**

You will be required to pay back the amount you withdrew with credited interest from the date your account was last credited with interest to the date of repayment. The credited interest rate is the rate of interest that is posted to a member's account each June 30th and reflects what your account would have earned had it remained on deposit with CTRB. The rate varies from year to year and is based on the interest earnings of the Retirement Fund.

### **HOW WILL I BE NOTIFIED OF THE COST?**

You will receive written notification from our office advising you of the amount of credit to be purchased and your payment options. Due to the volume of requests, please allow approximately 4 months for processing.

### **WHAT ARE THE PAYMENT OPTIONS?**

You will be given the choice of a lump sum payment or to make payment through monthly payroll deductions from your salary (Service Purchase Contract).

### **CAN A TAX SHELTERED ANNUITY OR IRA BE USED TO MAKE A LUMP SUM PAYMENT?**

In accordance with the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, effective January 1, 2002, CTRB will accept a direct rollover of funds from the following sources:

- Another Qualified Employer Plan I.R.C. 401(a)
- Profit Sharing Plan I.R.C. 401(k)
- Tax Sheltered Annuity (TSA) I.R.C. 403(b)
- Individual Retirement Account (IRA) I.R.C. 408
- Deferred Compensation I.R.C. 457

A **Direct Rollover to CTRB Transfer Request Form** may be obtained from this office and forwarded to the Custodian/Trustee for completion.

### **WHAT ARE THE MINIMUM & MAXIMUM TIME PERIODS ALLOWED FOR SERVICE PURCHASE CONTRACTS?**

The minimum time period for a Service Purchase Contract is 10 school months. The maximum time period may not exceed 100 months.

### **WHAT RATE OF INTEREST IS USED TO DETERMINE THE SERVICE PURCHASE CONTRACT AMOUNT?**

The rate of interest is based on the credited interest rate determined by the Board for June 30<sup>th</sup> of each year. Service Purchase Contracts commencing during the 2004-2005 school year will be based on the credited interest rate for June 30, 2004 which was 10.8%.

### **DOES THE RATE OF INTEREST ON MY SERVICE PURCHASE CONTRACT CHANGE EACH YEAR?**

No. The rate of interest remains fixed for the duration of the Service Purchase Contract.

### **HOW ARE THESE DEDUCTIONS TREATED FOR TAX PURPOSES?**

Service Purchase Contract payments are treated as “**after-tax**” contributions and therefore do not reduce your salary for federal or state tax purposes.

### **CAN THE BALANCE BE PAID OFF AT ANY TIME WITHOUT PENALTY?**

Yes. Simply notify our office in writing that you wish to pay off the balance due. We will need to be advised of the date that you wish to make the final payment. Due to the volume of requests, please allow approximately 3 months for processing.

### **WHEN DOES THE CREDIT FOR THE PURCHASED SERVICE APPEAR ON THE ACCOUNT?**

Credit is not posted to your account until the Service Purchase Contract is **completed**. It will appear on the following year's Annual Member Statement under "Purchased CT Service".

### **WHEN WILL MY SERVICE PURCHASE CONTRACT PAYMENTS GET POSTED?**

Every year, your Annual Member Statement will reflect the payments that you have made on your Service Purchase Contract. These payments will be included in your "Taxed Contributions Regular" and, if applicable, your "Taxed Contributions Supplemental" account(s).

### **IF I FAIL TO COMPLETE THE PURCHASE, WHAT WILL HAPPEN TO THE MONEY PAID IN?**

If you do not complete your Service Purchase Contract, the funds may be retained in your account, refunded or pro-rated to purchase partial credit.

### **CAN MULTIPLE WITHDRAWALS BE RE-PURCHASED?**

Yes. If you had multiple refunds covering different periods of service, you may choose to buy any or all of the periods of service which were separately refunded. For example, if you taught from 1977-1979 and withdrew in 1980 and then taught from 1983-1986 and withdrew in 1988, you may purchase either or both of these periods since each one was the subject of a separate refund.

### **WHAT IS THE ADVANTAGE OF BUYING BACK PRIOR SERVICE?**

The number of years of credited service is a determining factor not only for your eligibility for benefits but the amount of retirement income you will receive when you retire.



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**COMPOUND INTEREST FACTORS FOR LUMP SUM PAYMENTS JULY 1, 2004 TO JUNE 30, 2005**

The table below is being provided for your estimating purposes. Actual compound interest factors are prorated by month. If you wish to purchase your Prior CT Teaching Service, you should contact this office in writing for a formal invoice. To estimate the cost of your Prior CT Teaching Service, multiply the amount withdrawn by the compound interest factor for the following interest posting year.

| Interest Posting Date | Interest Rate Percentage | School Year | Compound Interest Factor |
|-----------------------|--------------------------|-------------|--------------------------|
| June 30, 2004         | 10.80                    | 2002 - 2003 | 1.1080                   |
| June 30, 2003         | 9.70                     | 2001 - 2002 | 1.2155                   |
| June 30, 2002         | 12.00                    | 2000 - 2001 | 1.3613                   |
| June 30, 2001         | 13.80                    | 1999 - 2000 | 1.5492                   |
| June 30, 2000         | 14.20                    | 1998 - 1999 | 1.7691                   |
| June 30, 1999         | 13.50                    | 1997 - 1998 | 2.0080                   |
| June 30, 1998         | 13.30                    | 1996 - 1997 | 2.2751                   |
| June 30, 1997         | 10.50                    | 1995 - 1996 | 2.5140                   |
| June 30, 1996         | 8.64                     | 1994 - 1995 | 2.7312                   |
| June 30, 1995         | 5.76                     | 1993 - 1994 | 2.8885                   |
| June 30, 1994         | 7.53                     | 1992 - 1993 | 3.1060                   |
| June 30, 1993         | 8.31                     | 1991 - 1992 | 3.3641                   |
| June 30, 1992         | 8.19                     | 1990 - 1991 | 3.6396                   |
| June 30, 1991         | 7.91                     | 1989 - 1990 | 3.9276                   |
| June 30, 1990         | 8.51                     | 1988 - 1989 | 4.2617                   |
| June 30, 1989         | 8.62                     | 1987 - 1988 | 4.6291                   |
| June 30, 1988         | 8.67                     | 1986 - 1987 | 5.0305                   |
| June 30, 1987         | 9.01                     | 1985 - 1986 | 5.4837                   |
| June 30, 1986         | 7.78                     | 1984 - 1985 | 5.9104                   |
| June 30, 1985         | 9.94                     | 1983 - 1984 | 6.4978                   |
| June 30, 1984         | 9.75                     | 1982 - 1983 | 7.1313                   |
| June 30, 1983         | 7.35                     | 1981 - 1982 | 7.6556                   |
| June 30, 1982         | 8.00                     | 1980 - 1981 | 8.2680                   |
| June 30, 1981         | 6.50                     | 1979 - 1980 | 8.8054                   |
| June 30, 1980         | 5.50                     | 1978 - 1979 | 9.2896                   |
| June 30, 1979         | 2.625                    | 1977 - 1978 | 9.5336                   |
| December 31, 1978     | 5.25                     | 1976 - 1977 | 10.0340                  |
| December 31, 1977     | 5.25                     | 1975 - 1976 | 10.5608                  |
| December 31, 1976     | 5.25                     | 1974 - 1975 | 11.1153                  |
| December 31, 1975     | 5.25                     | 1973 - 1974 | 11.6988                  |
| December 31, 1974     | 5.25                     | 1972 - 1973 | 12.3130                  |
| December 31, 1973     | 5.25                     | 1971 - 1972 | 12.9594                  |
| December 31, 1972     | 5.25                     | 1970 - 1971 | 13.6398                  |
| December 31, 1971     | 5.25                     | 1969 - 1970 | 14.3559                  |
| December 31, 1970     | 5.25                     | 1968 - 1969 | 15.1096                  |
| December 31, 1969     | 5.00                     | 1967 - 1968 | 15.8651                  |
| December 31, 1968     | 5.00                     | 1966 - 1967 | 16.6583                  |
| December 31, 1967     | 5.00                     | 1965 - 1966 | 17.4913                  |
| December 31, 1966     | 4.75                     | 1964 - 1965 | 18.3221                  |
| December 31, 1965     | 4.75                     | 1963 - 1964 | 19.1924                  |
| December 31, 1964     | 4.50                     | 1962 - 1963 | 20.0561                  |
| December 31, 1963     | 4.00                     | 1961 - 1962 | 20.8583                  |
| December 31, 1962     | 4.00                     | 1960 - 1961 | 21.6926                  |
| December 31, 1961     | 4.00                     | 1959 - 1960 | 22.5603                  |
| December 31, 1960     | 4.00                     | 1958 - 1959 | 23.4627                  |

**EXAMPLE:**

Marion last taught in the 1978-79 school year and withdrew her account balances of \$10,000 on June 30, 1981. The cost of her Prior CT Service is determined based on the amount withdrawn plus the interest that would have accrued had the account not been withdrawn. Estimated cost: \$10,000.00 X 8.2680 = \$82,680.00. The compound interest factor (8.2680) is the rate of interest that would have been credited from June 30, 1982 to June 30, 2004.